

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2621-01
Bill No.: HB 1268
Subject: Health, Public; Children and Minors
Type: Original
Date: April 6, 2015

Bill Summary: This proposal establishes the Early Childhood Health and Education Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Early Childhood Health and Education Trust*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Transfers-in, donations and transfers-out net to \$0.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government*	\$0	\$0	\$0

* Transfers-in and expenditures net to \$0.

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight notes the proposal creates the Early Childhood Health and Education Trust Fund (Trust Fund) and the fund shall consist of all moneys appropriated or donated to it. The Department of Social Services shall calculate the distributions to be made to each county or multi-county district based on the county's or district's population of children under five years of age, based on the most recent estimates from the U.S. Census Bureau. Two percent of the moneys are to be appropriated to the oversight committee to administer the provisions of the proposal.

Revenues distributed from the Trust Fund are to be deposited in the county treasury to the credit of a special "Community Early Childhood Health and Education Fund" to accomplish the purposes set forth in the proposal. Funds shall only be expended upon approval by the council. The Community Fund is to consist of two accounts: a program account and an administrative account. Ninety-two (92%) of the moneys received are to be deposited into the program account and eight (8%) of the moneys received are to be deposited into the administrative account.

For purposes of the fiscal note, **Oversight** assumes all moneys appropriated/transferred from the General Revenue Fund to the Early Childhood Health and Education Trust Fund will be expended for allowable expenses and the remainder transferred to county treasurers. Oversight further assumes all transfers to county treasurers/Community Early Childhood Health and Education Fund will be offset by administrative and corresponding program expenses at the county level and the net effect will be \$0.

Officials from the **Department of Mental Health (DMH)** assume the DMH would be consulted in the development of effective early childhood programming, however, the proposal does not call for financial or staff support from the DMH to operate the program. Therefore, it is assumed the proposal does not present a fiscal impact for the DMH.

Officials from the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Labor and Industrial Relations**, the **Office of State Treasurer**, **Callaway County** and **Mississippi County** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND			
<u>Transfer-Out</u> to Community Early Childhood Health and Education Trust Fund	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
EARLY CHILDHOOD HEALTH AND EDUCATION TRUST FUND			
<u>Transfer-in</u> from General Revenue Fund	Unknown	Unknown	Unknown
<u>Income</u> - Donations	Unknown	Unknown	Unknown
<u>Costs</u> - Oversight Committee Administrative costs (2% of moneys)	(Unknown)	(Unknown)	(Unknown)
<u>Transfer-Out</u> - County Treasurers/Community Early Childhood Health and Education Fund	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE EARLY CHILDHOOD HEALTH AND EDUCATION TRUST FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
LOCAL GOVERNMENTS - COUNTY TREASURERS			
<u>Transfer-In</u> from Early Childhood Health and Education Trust Fund to County Treasurers/ Community Early Childhood Health and Education Fund	Unknown	Unknown	Unknown
<u>Costs</u> - County Councils			
Administrative expenses (8%)	(Unknown)	(Unknown)	(Unknown)
Program expenditures (92%)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposal shall be known as the “Early Childhood Health and Education Act”. The purpose of the program is to provide coordination and funding for early childhood health and education programs.

The governing board of each county or city not within a county shall appoint an early childhood health and education council consisting of nine members who shall work or reside in the county or city not within a county. The governing board of each county or city not within a county may elect to pool funds and resources with other counties and form a multicounty health and education district council. Programs undertaken by the councils shall accomplish one or more of the specified objectives. Each council shall develop a plan for expenditures of funds budget by the oversight committee to meet the needs identified by the council. The council shall submit its plan to the oversight committee by July first of each year, beginning in 2017. Councils shall consider grant proposal to implement the plan. The council may contract with a third party grant administrator to meet the requirements of the proposal. Provisions are provided specifying additional requirements the council and grant proposals must meet.

FISCAL DESCRIPTION (continued)

The proposal provides for the creation of the Early Childhood Health and Education Trust Fund and the fund shall consist of all moneys appropriated or donated to it. Funds shall be distributed by the oversight committee to each county or multicounty district.

The Department of Social Services shall calculate the distributions to be made to each county or multi-county district based on the county's or district's population of children under five years of age, based on the most recent estimates from the U.S. Census Bureau. Two percent of the moneys are to be appropriated to the oversight committee to administer the provisions of the proposal.

Revenues distributed from the Trust Fund are to be deposited in the county treasury to the credit of a special "Community Early Childhood Health and Education Fund" to accomplish the purposes set forth in the proposal. Funds shall only be expended upon approval by the council. The Community Fund is to consist of two accounts: a program account and an administrative account. Ninety-two (92%) of the moneys received are to be deposited into the program account and eight (8%) of the moneys received are to be deposited into the administrative account.

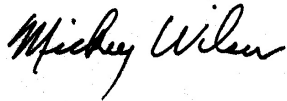
The oversight committee shall prepare an annual report describing the activities of the oversight committee and a description of the outcomes for children and families achieved. The report shall be submitted to the governor, the president pro tempore of the senate, and the speaker of the house of representatives before January fifteenth of each year, beginning in 2019.

The oversight committee and each council shall be considered a public governmental body and be subject to the provisions of chapter 610 and an audit by the state auditor.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Mental Health
Department of Labor and Industrial Relations
Office of State Treasurer
Callaway County
Mississippi County

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 6, 2015

Ross Strobe
Assistant Director
April 6, 2015